

**BB&T**

**BB&T Equipment Finance**

Mailcode: 408-96-02-80  
600 Washington Avenue  
Suite 201  
Towson, MD 21204

January 20, 2016

Oak Grove Resources, LLC  
200 Public Square, Suite 3300  
Cleveland, Ohio 44114  
Attn: Treasury Department

Cliffs Natural Resources, Inc.  
200 Public Square  
Suite 3300  
Cleveland, Ohio 44114-2315

**Re:** Notice of default and demand for payment pursuant to the Master Equipment Lease Agreement dated as of November 6, 2012 (together with all Schedules executed in connection therewith, the "Lease") by and between BB&T Equipment Finance Corporation, as lessor ("BB&T Equipment Finance") and Oak Grove Resources, LLC, as lessee ("Oak Grove"). Oak Grove's obligations under the Lease are guaranteed by Cliffs Natural Resources, Inc. ("CNR"). Capitalized terms used herein without definition shall have the meaning ascribed to them in the Lease.

Gentlemen:

This letter is your notice of Events of Default under Section 16 of the Lease. Specifically, defaults have occurred (and are continuing) under Section 16(a)(iv), (viii) and (ix) of the Lease as a result of the sale of the equity interest of Cliffs North American Coal LLC, which included the equity of Oak Grove.

As a result of these Events of Default, BB&T Equipment Finance is entitled to exercise the remedies provided under Section 16(b) of the Lease, including, but not limited to, return of the Equipment, cancellation of the Lease, and payment of all rent due and/or accrued, plus the Stipulated Loss Value, and payment of all other sums owing under the Lease, including any tax indemnities becoming due as a result of such Events of Default for the remaining term of the Lease and all other fees, expenses, costs or other amounts due and owing as a result of the default, including enforcement costs and reasonable attorneys' fees. BB&T Equipment Finance hereby demands payment of \$3,598,478.64, which represents the amount due under the Lease, including the February 6, 2016 rental payment. BB&T Equipment Finance reserves the right to recalculate these amounts in accordance with the terms of the Lease or as otherwise permitted by applicable law.

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No forbearance, delay or inaction by BB&T Equipment Finance or exercise of one of its cumulative remedies and no continuing performance by BB&T Equipment Finance or Oak Grove under the Lease: (a) shall constitute: (i) a modification or alteration of the terms, conditions or covenants of the Lease or any related documents, instruments and agreements (collectively, as amended from time to time, the "Lease Documents"), all of which remain in full force and effect; or (ii) a waiver, release or limitation upon the BB&T Equipment Finance's exercise of any of its rights and remedies thereunder, all of which are expressly reserved; or (b) shall relieve or release Oak Grove or CNR in any way from any of their respective duties, obligations, covenants or agreements under the Lease Documents or from the consequences of the Events of Default described above or any other Event of Default thereunder.

Please contact the undersigned at 410-427-1568 to discuss payment of the amount set forth above to avoid incurring additional costs and expenses of collection at your earliest convenience.

Very truly yours,

BB&T Equipment Finance Corporation

A handwritten signature in black ink, appearing to read "JD", is written over the printed name of Joseph Dunk.

Joseph Dunk  
Senior Credit Officer, Vice President

cc: Merrick J. Benn, Esq.